



**DEPARTMENT OF ENVIRONMENTAL QUALITY
POLICY AND PROCEDURE**

**SUBJECT: CONFLICT OF INTEREST AND
ETHICAL STANDARDS**

Number: 01-007

Date: June 3, 2002

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Revised: September 20, 2006

AUTHORITY: Civil Service Rule 2-8

<< STATEMENT OF POLICY >>

All Department of Environmental Quality (DEQ) employees, shall not create, or allow to be created, any situation where he/she is, or may be, in conflict of interest with his/her duties and responsibilities. DEQ shall abide by the provisions of this Rule by having employees review and sign a Disclosure of Interest, Ethical Standards & Conduct Policy form (copy attached) upon hire and thereafter, as appropriate.

Per Civil Service Rule 2-8.3(a)(1), all DEQ employees shall review this policy at least annually and, as necessary, submit a new form to their division chief. Newly hired DEQ employees shall review this policy during new-hire orientation and submit a signed form to their division chief for review.

The Division will review and then forward the form to the Office of Human Resources (OHR).

Disclosure of interests may be required for employees that:

- authorize purchases or award contracts such as
 - (a) procure or recommend the purchase of goods or materials for the state,
 - (b) influence the content or ward of contracts,
- develop or approve specifications for contracts of, recommend the purchase or award of contracts,
- have substantial regulatory or enforcement responsibilities,
- inspect or approve work performed by outside sources,
- perform audits, and
- supervise any of the employees with any of the above responsibilities.

Further, DEQ employees working in programs for which the state has received delegation from the federal government will abide by any conflict of interest statutes or regulations that govern the federal programs in which they work.

Any employee who engages in conduct prohibited by Civil Service Rule 2-8.2 may be disciplined up to and including dismissal from the state service.



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Conflict of Interest/Disclosure of Interest for employees covered by bargaining agreements will be administered in accordance with those agreements.

<<DEFINITIONS>>

Conflict of Interest Examples: The nature of items to disclose are: any personal or financial interests of the employee or members of the employee's immediate family in any business or entity with which the employee has direct contact while performing official duties as an employee.

Immediate family: Employee's grandparent, parent, parent-in-law, stepparent, sibling, spouse, child, or stepchild.

Personal and Financial Interests: Any business or entity with which the employee, or the employee's immediate family, has direct contact while performing official duties as an employee.

<<PROCEDURE>>

New Hires

Upon hire into the DEQ, all employees will receive a copy of this policy for review. Upon completion of the Disclosure of Interest form (EQ1239), the employee will submit to the immediate supervisor for review. Upon review by the Division, the form will be forwarded to the OHR and maintained in the employee's personnel file.

Current Employees

Annually, OHR will send notice to all employees requesting that they review the requirements of Civil Service Ethical Standards and Conduct Rule. If an employee has items to disclose, the employee shall submit a Disclosure of Interest form to his or her immediate supervisor. If there are changes in status during the year, the employee shall complete a new form and resubmit it for review.

Division Review

The immediate supervisor reviews form, signs and forwards to the division chief for review. The completed form is forwarded to OHR and maintained in the employee's personnel file.



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Disclosure of Conflicts - Actions

When a supervisor becomes aware of circumstances that fall within the parameters of this policy, action must be taken to remedy the situation, in accordance with Civil Service Rule 2.8.3(a)(2).

Office of Human Resources

Reviews form and takes any appropriate action deemed necessary.

Approved: _____

Date: _____

9-20-06

QUESTIONS: Contact DEQ, Office of Human Resources at 517-335-1100



Disclosure of Interest Ethical Standards & Conduct Policy

New Hires: Complete and return to OHR during New Employee Orientation.

Current DEQ Employees: In January of each year, review Department policy 01-007. Complete this form and submit to your immediate supervisor only if you need to report a new potential conflict, or there has been a change in a previously reported potential conflict. No action is required if you have nothing to report.

Employee Name:

(Please type or print)

I hereby certify that I have been notified during New Employee Orientation, that I must disclose potential conflicts of interest at least annually (January 1st) under Civil Service Commission Rule 2-8 and relevant departmental work rules and directives. I also certify that:

1. ☐ Neither I nor any member of my immediate family* has any personal or financial interest in any business or entity with which I have direct contact while performing official duties as a classified employee.

Should my assignment, my interests, or the interests of my immediate family members change so that this no longer is accurate, I will submit the new information for review to my immediate supervisor within 14 calendar days.

O R

2. ☐ I, or a member of my immediate family*, have personal or financial interests in a business or entity with which I have direct contact while performing official duties as a classified employee, as summarized below: (*Immediate family means your grandparent, parent, parent-in-law, stepparent, sibling, spouse, child, or stepchild.)

Summary:

Employee Signature: _____ Date: _____

Supervisor Signature: _____ Date _____

Division Chief Signature: _____ Date _____

It is the responsibility of the employee to notify their immediate supervisor, via submittal of this signed form, that any formerly identified interests are still valid and/or when new interests are identified.

cc: Immediate Supervisor

Civil Service Rule 2-8 Ethical Standards and Conduct

2-8.1 Ethical Conduct Required

Employment in the state classified service demands a high degree of loyalty and imposes high ethical standards on employees to ensure the integrity of state government and maintain effective services. All employees must meet these ethical standards and all appointing authorities are obligated to enforce these ethical standards.

2-8.2 Prohibitions

(a) **All employees.** A classified employee shall not do any of the following:

- (1) Divulge or release, for financial gain for the employee or a member of the employee's immediate family, any confidential information that is not by law, rule, regulation, or court order available to members of the general public. However, this subsection does not prohibit an employee from disclosing to a public body a violation or suspected violation as authorized in rule 2-10 [Whistleblower Protection] unless otherwise prohibited by statute, court order, or professional ethics.
- (2) Engage in or agree to engage in, for financial gain for the employee or a member of the employee's immediate family, any business transaction or private arrangement that accrues from or is based on the employee's official position or on confidential information gained by reason of the employee's position.
- (3) Solicit, accept, or agree to accept anything of value (1) from any designated representative [as defined in rule 9-1] or (2) under any circumstances that could reasonably be expected to influence the manner in which the employee performs work or makes decisions.
- (4) Make available any consideration, treatment, advantage, or favor beyond that which is generally granted or made available to others under similar circumstances.
- (5) Represent or act as an agent for any private interests, whether for compensation or otherwise, in any transaction in which the state has a direct and substantial interest and which could reasonably be expected to result in a conflict between the employee's private interests and official state responsibilities.
- (6) Exercise any decision-making authority of the state regarding any state regulation, enforcement, auditing, licensing, or purchasing with respect to any business or entity in which the employee or a member of the employee's immediate family has any financial interest.
- (7) Engage in supplemental employment that conflicts with the satisfactory or impartial performance of the employee's state duties.
- (8) Engage in supplemental employment without the express written consent of the employee's appointing authority.
- (9) Engage in any supplemental employment during actual-duty time.
- (10) Request or use sick leave to engage in supplemental employment.
- (11) Use any state funds, property, or equipment in or for the benefit of any supplemental employment.
- (12) Fail to timely, fully, and accurately report to the employee's appointing authority any of the following:

- (A) Any interest of the employee or the employee's immediate family in any business or entity with which the employee has direct contact while performing official duties as a classified employee.
 - (B) Any supplemental employment or change in approved supplemental employment required by this rule, applicable regulations, or departmental work rules.
- (b) **Attorneys.** In addition to any other prohibition, an employee occupying a classified position that requires the employee to be a licensed attorney in the State of Michigan shall not do any of the following, whether for compensation or otherwise:
- (1) Represent any person or entity with an interest adverse to the State of Michigan or any of its agencies or instrumentalities (1) in any criminal, civil, regulatory, or administrative matter or (2) before any court or administrative agency.
 - (2) Represent any private interest before any state administrative agency.
 - (3) Represent another state employee in any matter, including a personnel matter, against the State of Michigan or any of its agencies or instrumentalities.
- (c) **Excluded employees.** In addition to any other prohibition, the following employees may not represent another employee in any matter or proceeding related to employment, including, but not limited to, investigations, disciplinary conferences, grievances, civil service technical matters, or civil service proceedings:
- (1) An appointing authority who is a classified employee.
 - (2) An excluded employee occupying a position in human resources under the direction of an appointing authority.

2-8.3 Disclosure

(a) Personal and financial interests.

- (1) **Disclosure.** At least annually, an employee shall disclose to the employee's appointing authority all personal or financial interests of the employee or members of the employee's immediate family in any business or entity with which the employee has direct contact while performing official duties as a classified employee.
- (2) **Action by appointing authority.** If an appointing authority determines that the personal or financial interests of an employee or the employee's immediate family represent an unacceptable conflict of interest with the employee's state duties, the appointing authority may take any of the following actions to eliminate the conflict:
 - (A) Require appropriate actions by the employee or the employee's immediate family regarding the personal and financial interests.
 - (B) Change the employee's job, including, but not limited to, imposing a lateral job change, demoting the employee, changing reporting relationships, changing work locations, or reassigning specific tasks.
 - (C) Separate the employee from the classified service if the conflict cannot be eliminated.

(b) Supplemental employment.

- (1) **Disclosure and approval required.** An employee must report all supplemental employment to the employee's appointing authority and must receive approval from the appointing authority to engage in supplemental employment.
- (A) **Employees.** Before engaging in supplemental employment, an employee must disclose the nature and extent of the supplemental employment to the employee's appointing authority. Thereafter, an employee must report

all supplemental employment at least annually as required by this rule, applicable regulations, and the appointing authority.

(B) Newly-hired employees. A newly-hired employee who is already engaging in supplemental employment at the time of hire must disclose the nature and extent of the supplemental employment as required by an appointing authority.

(C) Changes. If there is a change in approved supplemental employment, the employee must disclose the nature and extent of the change to the employee's appointing authority within 14 calendar days.

(2) Action by appointing authority. If an appointing authority determines that supplemental employment (1) interferes with the employee's attendance or efficiency or otherwise conflicts with the satisfactory performance of the employee's state duties or (2) represents an unacceptable conflict of interest with the employee's state duties, the appointing authority may take any of the following actions:

(A) Withhold or withdraw approval to engage in supplemental employment.

(B) Require the employee to modify, limit, or terminate the supplemental employment.

(C) Change the employee's job, including, but not limited to, imposing a lateral job change, demoting the employee, changing reporting relationships, changing work locations, or reassigning specific tasks.

(D) Separate the employee from the classified service if the conflict cannot be eliminated.

(3) Service in the uniformed services; exception. An employee is not required to obtain approval to engage in supplemental employment in the uniformed services. However, unless precluded by military necessity, an employee must give advance written or verbal notice to the appointing authority of any absence from state duties for service in the uniformed services.

(4) Applicants. As part of the appraisal process, an appointing authority may require an applicant to disclose the nature and extent of all employment that the applicant intends to continue as supplemental employment after the applicant is hired into the classified service.

2-8.4 Compliance

As a condition of continued employment in the classified service, an employee must comply with the requirements of applicable rules, regulations, departmental work rules, and individual requirements imposed by the employee's appointing authority.

2-8.5 Discipline

An employee who engages in conduct prohibited by rule 2-8, an applicable regulation, a departmental work rule, or an individual requirement imposed by the employee's appointing authority may be disciplined, up to and including dismissal from the classified service.

2-8.6 Reporting Alleged Violations

An employee who becomes aware of any alleged violation of a standard of ethical conduct in this rule, an applicable regulation, a departmental work rule, or an individual requirement imposed by an appointing authority must report the alleged violation to the employee's appointing authority.

2-8.7 Appointing Authority Guidance and Exemptions

(a) Departmental work rules and directives. An appointing authority may issue departmental work rules or other written directives to define, implement, and enforce ethical standards. An appointing authority may, for example, do any of the following:

- (1) Establish ethical standards for employees that are more strict than the basic standards established in this rule and the regulations.
 - (2) Define specific prohibited acts and conflicts of interest.
 - (3) Identify specific employees or classes of employees required to file disclosure reports.
 - (4) Establish procedures, forms, and times for disclosure.
 - (5) Establish procedures for an employee to obtain a prior written determination from the employee's appointing authority as to whether specific future conduct is permitted or prohibited.
- (b) **De minimis exception.** In a departmental work rule or directive, an appointing authority may exempt from the prohibition in rule 2-8.2(a)(3) the receipt of anything of value that is so de minimis that the appointing authority has determined that its receipt by the employee could not reasonably be expected to influence how the employee performs work or makes decisions. However, any such de minimis exemption may not exceed the following limits:
- (1) Any single tangible or intangible item with a fair market value exceeding \$20.00.
 - (2) Any combination of tangible and intangible items during any 3-month period with an aggregate fair market value exceeding \$80.00.
 - (3) Any amount of money, including a loan of money.
- (c) **Conferences, training, and meetings.** Notwithstanding rule 2-8.2(a)(3), an appointing authority may authorize an employee to attend a conference, training session, or other meeting, the expenses of which are paid in whole or in part by a designated representative, if all of the following are met:
- (1) The employee's attendance is primarily for the benefit of the state.
 - (2) The expenses paid are expenses, which if paid by the employee, would be reimbursable items under the standardized travel regulations or other policies of the employee's appointing authority.
 - (3) The employee's appointing authority determines that paid attendance by the employee would not reasonably be expected to improperly influence how the employee performs work or makes decisions.

[Rule 2-8 last amended effective October 1, 2004]